GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:557
ANSWERED ON:20.02.2003
FINANCIAL ASSISTANCE TO POWER DISTRIBUTION COMPANIES
IQBAL AHMED SARADGI

Will the Minister of POWER be pleased to state:

(a) whether the private power distribution companies have got fresh financial assistance from the Union Government to implement their upgradation plans and develop infrastructure;

(b) if so, whether in the month of September 2002, companies got their first instalment of Rs.400 crore as aid from the Centre;

(c) if so, the details of total aid provided by the Government to these private companies so far; and

(d) the extent to which these companies have utilised these funds to improve the power sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : No financial assistance has been released by the Government of India tothe private power distribution companies for implementing the Accelerated Power Development and Reforms Programme (APDRP)However, under the APDRP, some ofthe States such as Gujarat and the National Capital Territory of Delhi have engaged theprivate sector utilities in implementing the schemes in their territories. Government of India provides 50% of the project assistance to the States, in the non-special category, in the form of additional Central Plan Assistance, which has components of grant and loanin equal ratio. The remaining 50% of the project cost is to be arranged by the utilities undertaking the schemes under APDRP. For availing of assistance in such cases, the States have to enter into a Memorandum of Understanding (MoU) with the CentralGovernment on the one hand and a Memorandum of Agreement (MoA) with the concerned private sector utilities on the other. The State Governments have yet to enterinto an MoU with the Central Government for this purpose and thus no amount has been so far released by the Government of India.